

# Memorandum



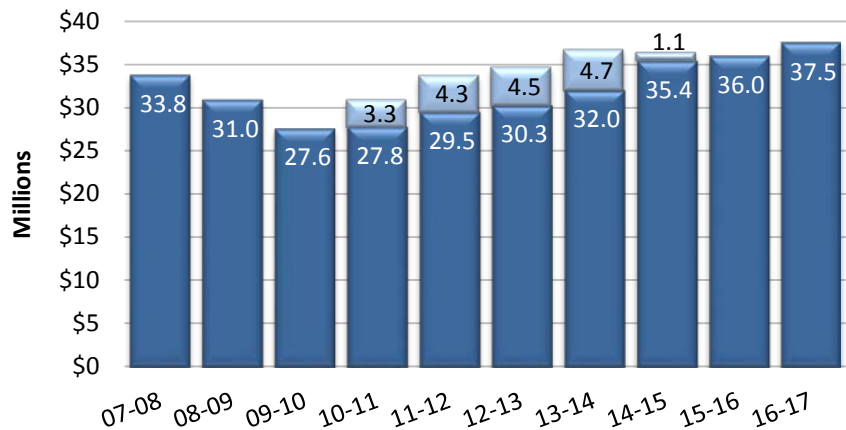
## Municipal Budget Office

Date: December 16, 2016  
 To: Mayor and Council  
 From: Cecilia Robles, Municipal Budget Director (350-8881)  
 Subject: Tax Revenue Statistical Report – November 2016

Attached is the Executive Summary of the Tax Revenue Statistical Report for November 2016 covering October sales activity reported to our Tax and License Division in November.

The graph to the right depicts year-to-date General Fund historical privilege tax revenue from FY 2007-08 through FY 2016-17. Total taxable sales increased by 4.4% over the same year-to-date period in the prior fiscal year. General Fund Sales Tax revenue is also up 4.3% (\$1.6 million), as a result of strong retail (\$1.5 million), rental (\$557 thousand), and combined bed tax and hotel/motel (\$261 thousand) activity. The combined bed tax and hotel/motel tax revenue growth rate is outperforming all business activities at 9.1% over the prior fiscal year.

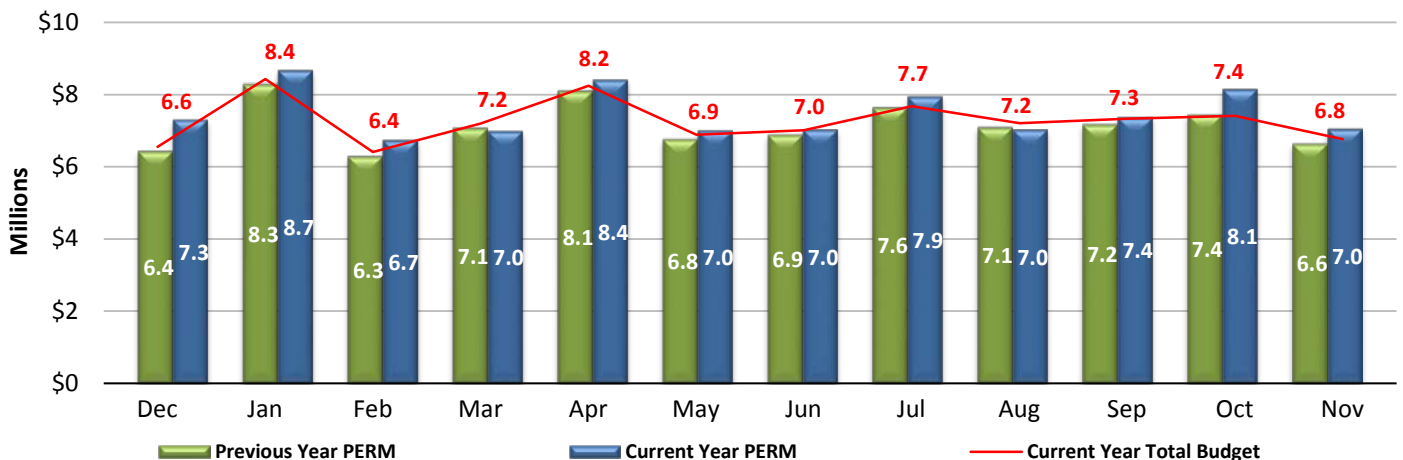
**General Fund Sales Tax Collections through November**



The graph below represents twelve months of activity, comparing current year General Fund monthly sales tax collections to the previous year.

Although sales taxes are not budgeted on a monthly basis, the graph below applies historical collection percentages to the annual budget to gain insight into sales tax performance. Using this approach, sales tax collections in the General Fund are \$1.2 million above budgeted projections year to date, due to one-time Arizona Department of Revenue (ADOR) payments and taxpayers who caught up on their arrears.

**General Fund Monthly Sales Tax Collection vs. Previous Year**



## Executive Summary

	Current Month -November								Fiscal Year to Date through November							
	2013-14		2014-15		2015-16		2016-17		2013-14		2014-15		2015-16		2016-17	
	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	
<b>Taxable Sales</b>																
Total Taxable Sales	533,793,000	5.9%	580,234,000	8.7%	579,881,000	-0.1%	604,894,000	4.3%	2,781,991,000	5.4%	3,063,247,000	10.1%	3,122,761,000	1.9%	3,259,504,000	4.4%
Retail Taxable Sales	269,013,000	11.1%	284,366,000	5.7%	281,697,000	-0.9%	293,448,000	4.2%	1,413,150,000	6.2%	1,513,780,000	7.1%	1,559,378,000	3.0%	1,624,824,000	4.2%
<b>Tax Revenues by Funds</b>																
Privilege Tax - General Fund (1.2%)	6,152,000	4.6%	6,689,000	8.7%	6,645,000	-0.7%	7,048,000	6.1%	32,039,000	5.7%	35,394,000	10.5%	35,996,000	1.7%	37,547,000	4.3%
Temporary Privilege Tax - General Fund	910,000	5.2%	14,000	-98.5%	9,000	-35.7%	2,000	-77.8%	4,731,000	5.4%	1,073,000	-77.3%	19,000	-98.2%	22,000	15.8%
Transit Tax Fund (.5%)	2,566,000	4.6%	2,791,000	8.8%	2,771,000	-0.7%	2,940,000	6.1%	13,364,000	5.7%	14,760,000	10.4%	15,008,000	1.7%	15,660,000	4.3%
Arts Tax Fund (.1%)	529,000	4.8%	574,000	8.5%	570,000	-0.7%	606,000	6.3%	2,755,000	5.8%	3,036,000	10.2%	3,091,000	1.8%	3,229,000	4.5%
Privilege Tax - Rebates Fund	305,000	7.0%	287,000	-5.9%	277,000	-3.5%	318,000	14.8%	1,591,000	6.3%	1,504,000	-5.5%	1,550,000	3.1%	1,652,000	6.6%
Bed Tax Fund	399,000	3.4%	487,000	22.1%	508,000	4.3%	465,000	-8.5%	1,566,000	14.0%	1,771,000	13.1%	1,926,000	8.8%	2,071,000	7.5%
<b>Totals</b>	<b>10,861,000</b>	<b>4.7%</b>	<b>10,842,000</b>	<b>-0.2%</b>	<b>10,780,000</b>	<b>-0.6%</b>	<b>11,379,000</b>	<b>5.6%</b>	<b>56,046,000</b>	<b>5.9%</b>	<b>57,538,000</b>	<b>2.7%</b>	<b>57,590,000</b>	<b>0.1%</b>	<b>60,181,000</b>	<b>4.5%</b>
<b>Tax Revenues - Business Activities</b>																
Retail	5,485,000	8.5%	5,375,000	-2.0%	5,219,000	-2.9%	5,719,000	9.6%	29,050,000	6.9%	28,850,000	-0.7%	29,167,000	1.1%	30,637,000	5.0%
Rentals	1,934,000	-6.8%	1,703,000	-11.9%	1,830,000	7.5%	2,072,000	13.2%	10,095,000	0.4%	9,650,000	-4.4%	9,915,000	2.7%	10,472,000	5.6%
Utilities/Communication	951,000	3.3%	1,122,000	18.0%	883,000	-21.3%	800,000	-9.4%	5,401,000	3.6%	5,504,000	1.9%	4,979,000	-9.5%	4,935,000	-0.9%
Restaurants	959,000	10.0%	904,000	-5.7%	901,000	-0.3%	993,000	10.2%	4,423,000	9.8%	4,308,000	-2.6%	4,461,000	3.6%	4,698,000	5.3%
Contracting	601,000	5.3%	808,000	34.4%	987,000	22.2%	907,000	-8.1%	3,316,000	12.1%	5,325,000	60.6%	4,953,000	-7.0%	4,962,000	0.2%
Hotel/Motel	234,000	13.0%	240,000	2.6%	282,000	17.5%	211,000	-25.2%	847,000	12.2%	853,000	0.7%	951,000	11.5%	1,067,000	12.2%
Transient (Bed Tax)	399,000	3.4%	486,000	21.8%	508,000	4.5%	465,000	-8.5%	1,567,000	14.0%	1,771,000	13.0%	1,926,000	8.8%	2,071,000	7.5%
Amusements	120,000	1.7%	103,000	-14.2%	58,000	-43.7%	103,000	77.6%	699,000	7.9%	638,000	-8.7%	674,000	5.6%	701,000	4.0%
All Other	178,000	4.1%	101,000	-43.3%	112,000	10.9%	109,000	-2.7%	648,000	-6.8%	639,000	-1.4%	564,000	-11.7%	638,000	13.1%
<b>Totals</b>	<b>10,861,000</b>	<b>4.7%</b>	<b>10,842,000</b>	<b>-0.2%</b>	<b>10,780,000</b>	<b>-0.6%</b>	<b>11,379,000</b>	<b>5.6%</b>	<b>56,046,000</b>	<b>5.9%</b>	<b>57,538,000</b>	<b>2.7%</b>	<b>57,590,000</b>	<b>0.1%</b>	<b>60,181,000</b>	<b>4.5%</b>
<b>Tax Revenues - Retail Activities Breakdown</b>																
Automotive	937,000	10.5%	915,000	-2.3%	874,000	-4.5%	827,000	-5.4%	4,760,000	7.9%	4,963,000	4.3%	4,934,000	-0.6%	4,901,000	-0.7%
Furniture/Equipment/Electronics	1,145,000	7.6%	1,194,000	4.3%	1,061,000	-11.1%	1,532,000	44.4%	7,048,000	18.4%	6,692,000	-5.1%	6,076,000	-9.2%	6,551,000	7.8%
Department Stores	936,000	6.4%	877,000	-6.3%	851,000	-3.0%	877,000	3.1%	4,832,000	-1.0%	4,599,000	-4.8%	4,637,000	0.8%	4,867,000	5.0%
Grocery Stores	633,000	6.7%	648,000	2.4%	654,000	0.9%	411,000	-37.2%	3,100,000	5.9%	3,244,000	4.6%	3,317,000	2.3%	3,177,000	-4.2%
Drugs/Small Stores	568,000	9.0%	531,000	-6.5%	443,000	-16.6%	614,000	38.6%	2,983,000	5.9%	2,858,000	-4.2%	2,562,000	-10.4%	2,898,000	13.1%
Manufacturing Firms	292,000	-5.2%	191,000	-34.6%	253,000	32.5%	248,000	-2.0%	1,387,000	-16.2%	1,329,000	-4.2%	1,539,000	15.8%	1,509,000	-1.9%
Building Supply Stores	221,000	3.8%	206,000	-6.8%	204,000	-1.0%	229,000	12.3%	988,000	7.3%	931,000	-5.8%	1,057,000	13.5%	1,091,000	3.2%
All Other Retail	753,000	19.0%	813,000	8.0%	879,000	8.1%	981,000	11.6%	3,952,000	9.3%	4,234,000	7.1%	5,045,000	19.2%	5,643,000	11.9%
<b>Totals</b>	<b>5,485,000</b>	<b>8.4%</b>	<b>5,375,000</b>	<b>-2.0%</b>	<b>5,219,000</b>	<b>-2.9%</b>	<b>5,719,000</b>	<b>9.6%</b>	<b>29,050,000</b>	<b>6.9%</b>	<b>28,850,000</b>	<b>-0.7%</b>	<b>29,167,000</b>	<b>1.1%</b>	<b>30,637,000</b>	<b>5.0%</b>
<b>Tax Revenues - Business Districts</b>																
Elliot Corridor	1,432,000	3.8%	1,397,000	-2.4%	1,275,000	-8.7%	1,607,000	26.0%	8,005,000	6.7%	8,028,000	0.3%	7,604,000	-5.3%	7,781,000	2.3%
Autoplex (included in Elliot Corridor)	634,000	9.3%	636,000	0.3%	567,000	-10.8%	503,000	-11.3%	3,281,000	7.2%	3,411,000	4.0%	3,328,000	-2.4%	3,070,000	-7.8%
Market Place	438,000	5.5%	466,000	6.4%	387,000	-17.0%	459,000	18.6%	2,313,000	6.0%	2,254,000	-2.6%	2,265,000	0.5%	2,414,000	6.6%
Mills Mall	455,000	0.9%	330,000	-27.5%	474,000	43.6%	472,000	-0.4%	2,484,000	-1.7%	2,179,000	-12.3%	2,309,000	6.0%	2,510,000	8.7%
Downtown Tempe	374,000	-0.8%	475,000	27.0%	405,000	-14.7%	402,000	-0.7%	1,605,000	14.2%	1,771,000	10.3%	1,691,000	-4.5%	1,685,000	-0.4%
Apache Blvd.	212,000	17.1%	202,000	-4.7%	167,000	-17.3%	246,000	47.3%	1,056,000	17.9%	1,063,000	0.7%	985,000	-7.3%	1,021,000	3.7%
ASU Properties	205,000	-6.0%	178,000	-13.2%	159,000	-10.7%	171,000	7.5%	1,013,000	13.6%	973,000	-3.9%	896,000	-7.9%	997,000	11.3%
Rio Salado	266,000	9.9%	269,000	1.1%	279,000	3.7%	363,000	30.1%	1,247,000	10.6%	1,338,000	7.3%	1,320,000	-1.3%	1,748,000	32.4%
All Other Areas	7,479,000	5.1%	7,525,000	0.6%	7,634,000	1.4%	7,659,000	0.3%	38,323,000	5.4%	39,932,000	4.2%	40,520,000	1.5%	42,025,000	3.7%

**Privilege Tax Revenue - General Fund (1.2%)  
2016-17 Actual Compared to Budget**

**Monthly Amounts**

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.6%	7,677,000	7,949,000	272,000	3.5%
<b>Aug</b>	8.1%	7,213,000	7,028,000	(184,969)	-2.6%
<b>Sep</b>	8.2%	7,333,000	7,372,000	39,136	0.5%
<b>Oct</b>	8.3%	7,417,000	8,149,000	732,129	9.9%
<b>Nov</b>	7.6%	6,765,000	7,049,000	283,756	4.2%
<b>Dec</b>	8.3%	7,374,000			
<b>Jan</b>	9.6%	8,572,000			
<b>Feb</b>	7.8%	7,000,000			
<b>Mar</b>	8.0%	7,181,000			
<b>Apr</b>	9.4%	8,364,000			
<b>May</b>	8.0%	7,108,000			
<b>Jun</b>	8.1%	7,238,000			
<b>Totals</b>	100.0%	89,244,000	37,547,000	1,141,628	

**Cumulative Amounts**

	2016-17 Budget		2016-17 Actual	Over(Under)	
	Percent	Amount		Amount	Percent
<b>Jul</b>	8.6%	7,677,000	7,949,000	272,000	3.5%
<b>Jul-Aug</b>	16.7%	14,890,000	14,977,000	87,000	0.6%
<b>Jul-Sep</b>	24.9%	22,223,000	22,349,000	126,000	0.6%
<b>Jul-Oct</b>	33.2%	29,640,000	30,498,000	858,000	2.9%
<b>Jul-Nov</b>	40.8%	36,405,000	37,547,000	1,142,000	3.1%
<b>Jul-Dec</b>	49.1%	43,779,000			
<b>Jul-Jan</b>	58.7%	52,351,000			
<b>Jul-Feb</b>	66.5%	59,351,000			
<b>Jul-Mar</b>	74.5%	66,533,000			
<b>Jul-Apr</b>	83.9%	74,897,000			
<b>Jul-May</b>	91.9%	82,005,000			
<b>Jul-Jun</b>	100.0%	89,244,000			

**Tax and License Annual Privilege Tax Revenue Projections**

Method	Privilege Tax		Overage/Shortage	
	Projected	Budgeted	Amount	Percent
<b>Percent of Increase</b>	91,938,000	89,244,000	2,694,000	3.0%
<b>Percentage Received</b>	92,027,000	89,244,000	2,783,000	3.1%